UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

TIME INC., HEARST CORPORATION, ADVANCE : MAGAZINE PUBLISHERS INC., AMERICAN MEDIA, INC., HACHETTE FILIPACCHI MEDIA U.S., INC., THE McGRAW-HILL COMPANIES, INC., NEWSWEEK, INC., SOURCE INTERLINK MAGAZINES, LLC, REED BUSINESS INFORMATION, A DIVISION OF REED ELSEVIER INC., VARIETY, INC., REED ELSEVIER PROPERTIES INC., BONNIER CORPORATION, ZIFF DAVIS PUBLISHING HOLDINGS INC., FORBES LLC, REIMAN MEDIA GROUP, INC., RD LARGE EDITION, INC., HOME SERVICE PUBLICATIONS, INC. and READER'S DIGEST LATINOAMERICA SA,

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Plaintiffs,

- against -

DARREN ANDREW BUDD, SALVEO LIMITED, CYBERNET COMMUNICATIONS, INC., SWITCHWORKS TECHNOLOGIES, INC.; HAMIDULLA GHUMAL ABBAS, YOAV SCHWARTZ, RICK ROSS and JOHN DOES 1-20,

Defendants.

08 Civ. <u>7392</u> (WHP) ECF CASE

DECLARATION OF RANDY L. SHAPIRO IN SUPPORT OF PLAINTIFFS' MOTION FOR TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION

I, RANDY L. SHAPIRO, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am the Deputy Chief Counsel of Newsweek, Inc. ("Newsweek"), one of the plaintiffs in the within infringement action. I am fully familiar with the facts stated herein. I submit this declaration in support of plaintiffs' motion for a temporary restraining order and preliminary injunction enjoining and restraining defendants Darren Andrew Budd

("Budd"), Salveo Limited ("Salveo"), Cybernet Communications, Inc. ("Cybernet"), Switchworks Technologies, Inc. ("Switchworks"), Hamidulla Ghumal Abbas ("Abbas"), Yoav Schwartz ("Schwartz"), Rick Ross ("Ross") and John Does 1-20 (collectively, "defendants") from infringing plaintiffs' copyrights, trademarks and trade dress from infringing plaintiffs' copyrights, trademarks and trade dress.

- 2. Newsweek is a New York state corporation with its principal place of business at 251 West 57th Street, New York, NY 10019.
- Newsweek owns and publishes NEWSWEEK magazine, the well-3. known newsweekly, which is celebrating its 75th anniversary this year. NEWSWEEK magazine is distributed throughout the United States (including in New York) and Canada, as well as throughout the world, with a circulation of over 3 million. Indeed, NEWSWEEK magazine today has the most extensive global audience of all newsweeklies, with a total of eleven editions in more than 190 countries, to a worldwide audience of over 20 million. NEWSWEEK's online version, Newsweek.com, has an average monthly audience of more than 7 million unique users. Newsweek also owns Newsweek Budget Travel, Inc. ("NBT"), the publisher of ARTHUR FROMMER'S BUDGET TRAVEL magazine, a well-known travel magazine that is distributed throughout the United States and Canada ten (10) times a year. ARTHUR FROMMER'S BUDGET TRAVEL magazine, a ten-year-old publication, has an audience of over 2 million and a circulation of over 600,000. The magazine's online version, BudgetTravel.com, reaches nearly 500,000 unique visitors each month. For purposes of this declaration, Newsweek and NBT shall together be referred to as "Newsweek", and NEWSWEEK and ARTHUR FROMMER'S BUDGET TRAVEL magazines shall together be referred to as "the magazines".

- 4. Newsweek's practice with regard to obtaining copyright on these magazines generally is to file, on a quarterly basis, group SE registration forms for the issues of both magazines published during the prior quarter. In addition, two (2) copies of each issue of both magazines are filed with the Copyright Office on a weekly (for NEWSWEEK) and monthly or bimonthly (for ARTHUR FROMMER'S BUDGET TRAVEL), as the case may be, depending on that magazine's publication schedule.
- 5. The purpose of this declaration is to set forth factual information and exhibits relevant to this injunction motion.

Mygazines.com Is Infringing Newsweek's Copyrights and Trademarks

- 6. I first became aware of the Mygazines.com website on or about July 23, 2008, at which time the website appeared to be fully populated with uniform, high-quality magazines. Without Newsweek's knowledge, consent or authorization, Mygazines.com was displaying full text reproductions of numerous magazines owned and published by Newsweek.
- 7. Specifically, the full text of the following magazines owned and published by Newsweek are being displayed by defendants on the Mygazines.com website without our consent:
- (a) NEWSWEEK, issues dated May 5, 2008, May 12, 2008, June 16, 2008, June 23, 2008, June 30, 2008, July 7, 2008, July 21, 2008, July 28, 2008, August 4, 2008, and August 11, 2008. Newsweek obtained Copyright Registration No. TX 6-648-079 for the May 5, 2008, May 12, 2008, June 16, 2006, June 23, 2008, June 30 issues of NEWSWEEK on August 6, 2008, and Copyright Registration No. TX 6-648-078 for the July 7, 2008, July 21, 2008, July 28, 2008, August 4, 2008, and August 11, 2008 issues of

NEWSWEEK on August 6, 2008. Copies of the certificates of registration are annexed hereto as part of Exhibit A.

- (b) ARTHUR FROMMER'S BUDGET TRAVEL, issue dated July/August 2008. Newsweek obtained Copyright Registration No. TX 6-856-660 of the issue referenced herein on August 6, 2008. A copy of the certificate of registration is annexed hereto as part of Exhibit A.
- 8. Newsweek also owns trademark rights in the titles of its magazines. Specifically, Newsweek holds, *inter alia*, the following trademark registrations for its magazines:
- (a) NEWSWEEK is registration 1413355 in International Class 16 for a magazine of general news and features;
- (b) NEWSWEEK is registration 2000346 in International Class 42 for on-line news services containing a computerized database featuring news stories and other news related material;
- (c) BUDGETTRAVEL is registration 2890859 in International Class 16 for publications, namely a magazine featuring topics and information relating to travel;
- (d) BUDGETTRAVELONLINE is registration 3152392 in International Class 41 for providing on-line magazines in the field of travel.
- 9. Newsweek is the owner of common law trademark rights in its magazine titles as well, based on its use of its marks in commerce over the period of many years, and the wide recognition of those marks by consumers as an indicator of the source of Newsweek products.

- 10. In addition, Newsweek has rights to the trade dress of its magazines. Each magazine has a distinctive cover with a stylized logo that functions as a source indicator to consumers, and is non-functional. Mygazines.com displays the covers of NEWSWEEK and ARTHUR FROMMER'S BUDGET TRAVEL on the website, infringing Newsweek's trade dress in those covers.
- 11. Newsweek has not authorized or licensed defendants to post any content from its magazines on the Mygazines.com website.
- 12. Indeed, Newsweek operates a web site for each of its titles, and offers some of the content available in the print editions of its magazines through those sites. Newsweek earns revenue from its websites by, among other things, offering advertising space to advertisers in conjunction with Newsweek content. By offering the same content to consumers on its site, for free, Mygazines.com directly competes with Newsweek's websites.

Newseek Gave Defendants Notice of Their Infringing Activity

- 13. On August 1, 2008, on behalf of Newsweek, we wrote to defendant Salveo, the registered owner of Mygazines.com, at the address listed on its domain registration and its email address, demanding that it cease and desist from providing Newsweek's works to the public, in any form. Newsweek did not receive any response from Salveo.
- 14. On August 4, 2008, we wrote to defendant Switchworks at the address listed on its website, and to its email address, demanding that it immediately disable access to the Mygazines.com website or, at a minimum, block access specifically to the magazines published by Newsweek. Newsweek did not receive any response from Switchworks.

15. On August 6, 2008, our outside counsel wrote to defendant Cybernet, on our behalf, at the address listed on its website, and to its email address, demanding that it immediately disable access to the Mygazines.com website or, at a minimum, block access specifically to the magazines published by Newsweek. We did not receive a response.

Defendants' Conduct is Causing Newsweek Irreparable Harm

- 16. This application is brought on by way of Order To Show Cause because expedited relief is necessary due to the irreparable harm Newsweek is suffering and will suffer from defendants' continued infringement of Newsweek's copyrights, trademarks and trade dress.
- 17. Each day that defendants continue to display the content of entire issues of NEWSWEEK and ARTHUR FROMMER'S BUDGET TRAVEL prolongs the harm suffered by Newsweek. Both magazines are the product of the creative vision and hard work of hundreds of professionals, which defendants appropriate and distribute for their own end. Defendants' conduct undermines the entire industry and is nothing short of wholesale theft. It is particularly galling that defendants use the names and images of the magazines to advertise its website, and then offer our products online in a way that replicates the experience of reading our magazines. The harm to Newsweek is irreparable and should not be countenanced by this Court.

WHEREFORE, for the foregoing reasons, together with those set forth in the accompanying summons and complaint, declaration of other plaintiffs, and memorandum of law, your deponent respectfully prays for a temporary restraining order and preliminary injunction enjoining and restraining defendants from distributing or displaying Newsweek's magazines, and from inducing and encouraging its users to upload our content.

Dated: August <u>19</u>, 2008

Randy L. Shapiro

Exhibit A
To
Declaration of Randy L. Shapiro

Certificate of Registration



This Certificate issued under the seal of the Copyright Office in accordance with title 17, *United States Code*, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

Form SE/Group

TX 6-648-079

EFFECTIVE DATE OF REGISTRATION

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Register of Copyrights, United States of America

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Certificate of Registration



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Form SE/Group
UNITED STATES COPYRIGHT OFFICE

TX 6-648-078

Register of Copyrights, United States of America

EFFECTIVE DATE OF REGISTRATION

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	FOR NON-U.S. WORKS: Author	's citizenship ▼ Domicile	▼ Nation of publication ▼
ang ng pangu	CERTIFICATION*: I, the undersidentified in this application, that all it subscription copies with the Library of Handwritten signature (X) POLICE TRANSPORTED TO THE PROPERTY OF THE PROPERTY PROPERTY OF THE	gned, hereby certify that I am the copyright claim e conditions specified in the instructions on the I Congress, and that the statements made by me in Typed or printed na	ment or the authorized agent of the copyright claimant of the works back of this form are met, that I have deposited two complimentary in this application are correct to the best of my knowledge. Paul S. Dworkis, Sr. VP/CFO The complimentary of the control of the copyright claimant of the works of the copyright claims.
	Name Kathleen Iradi		Daytime telephone 212-445-4141
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	Fax 9/3-310-3333	Email	kathleen.iradi@Newsweek.com
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			Washington, DC 20559-6000

Certificate of Registration

Case 1:08-cv-07392-WHP



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Register of Copyrights, United States of America

Registration Number:

TX 6-856-660

Effective date of

August 6, 2008

registration:

Title of Work: Arthur Frommer's Budget Travel		
	Volume 11 Number 6 Date on Copies July/August 2008	
Completion/Publication -		
Year of Completion:	2008	
Date of 1st Publication:	May 30, 2008 Nation of 1st Publication: United States	
International Standard Number:	ISSN 1521-5210	
Author —		
	Newsweek Budget Travel, Inc.	
Author Created:	Collective Work	
Work made for hire:	Yes	
Copyright claimant		
Copyright Claimant:	Newsweek Budget Travel, Inc.	
	530 Seventh Avenue, New York, NY 10018	
Certification ———		
	Poul C. Doualde C. Uniopo	
Name:	Paul S. Dworkis, Sr. VP/CFO	